

CITIZENS' TASK FORCE ON CHARGERS ISSUES

November 19, 2002

Honorable Mayor and Members of the City Council
202 C Street
San Diego, CA 92101

Re: Analysis of Chargers' "Trigger Event"

Dear Honorable Mayor and Members of the City Council:

As Chair and Vice-Chair of the Citizens' Task Force on Chargers Issues, we are pleased to present the Task Force's analysis of issues, options and possible actions the City Council may consider in connection with the current contract between the City of San Diego and the San Diego Chargers. As you are aware, the Task Force was established in July of this year to devise recommendations for retaining the Chargers in a fiscally responsible way that the public would support. Since our first meeting in early August, the members of the Task Force, as a whole and in subcommittees, have been working diligently to gather information and analyze issues related to this mission.

Although a complete and full report of our findings and recommendations will not be available until next Spring, our analysis of the contract identified an immediate need for a report to the Council. On December 1, 2002, the Chargers will have the opportunity to deliver a "Trigger Notice" to the City. This "Trigger Notice," based on a "Trigger Event," all more accurately described in the attached report, could have certain consequences for the relationship between the City and the Chargers. Members of the Task Force believed it was our responsibility to provide the Mayor, the City Council and the City Attorney with the benefit of our review and analysis of options the City should consider if a "Trigger Notice" is delivered.

We want to stress that the report contains a series of options, including (1) considering any renegotiation and development proposal submitted by the Chargers, (2) a determination that the existing contract is so financially detrimental to the City that renegotiation would be in the City's best interest, or (3) an analysis of whether the City could pay the "Trigger Event" differential to retain the Chargers without construction of a new stadium.

The Task Force is not recommending any one course of action. The Task Force's recommendation is simply "be prepared" for consideration of all prudent steps to fully protect the City's interests in the event of a "Trigger Notice." We want to stress that this report is not the Task Force's complete work. Ultimately, this report will be but one chapter in a more thorough review of options for retaining the Chargers, including construction of a new stadium, renovation of the existing stadium or maintenance of the status quo.

Honorable Mayor and Members of the City Council
November 19, 2002
Page 2

The members of the Contracts subcommittee prepared the draft of this report. The Task Force unanimously voted to forward this report to you on November 14, 2002. The subcommittee members are Len Simon, Karen Heumann, Tom Fat, Bruce Henderson and David Watson. We thank them for their hard work.

We hope this report will be helpful in the upcoming weeks. We are available to answer any questions you may have.

Very truly yours,

David E. Watson
CHAIR, CITIZEN'S TASK FORCE ON CHARGERS ISSUES

Nikki Clay
VICE-CHAIR, CITIZEN'S TASK FORCE ON CHARGERS ISSUES

DEW:set

Enclosure